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India

Cotton and Products Annual

Consumption Growth Forecast with Policy Incentives

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Report Highlights:

FAS India's 2018/19 cotton production forecast is 28.7 million 480 lb. bales on 11.9 million hectares. Yields should be higher than last year as state officials are expected to monitor seed to fiber crop development. Mill consumption is forecast higher than last year at 25 million 480 lb. bales as demand for cotton yarn is expected to rise with government support for textile exports. With mills having strong interest in foreign cotton, the import forecast is 1.6 million 480 lb. bales.

Commodities:

Cotton

Production, Supply and Demand Data Statistics:

Cotton Market Begin Year	2016/2017		2017/2018		2018/2019	
	Aug 2016		Aug 2017		Aug 2018	
India	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	-	-	-	-	-	-
Area Harvested	10,850	10,850	12,300	12,400	-	11,900
Beginning Stocks	9,944	9,944	11,130	11,130	-	13,060
Production	27,000	27,000	28,500	28,930	-	28,700
Imports	2,736	2,736	1,700	1,500	-	1,600
MY Imports from U.S.	-	-	-	-	-	-
Total Supply	39,680	39,680	41,330	41,560	-	43,360
Exports	4,550	4,550	4,200	4,300	-	4,200
Use	24,000	24,000	24,500	24,200	-	25,000
Loss	-	-	-	-	-	-
Total Dom. Cons.	24,000	24,000	24,500	24,200	-	25,000
Ending Stocks	11,130	11,130	12,630	13,060	-	14,160
Total Distribution	39,680	39,680	41,330	41,560	-	43,360
Stock to Use %	39	39	44	46	-	48
Yield	542	542	504	508	-	525

(1000 HA) ,1000 480 lb. Bales ,(PERCENT) ,(KG/HA)

Production:

FAS Post forecasts India's 2018/19 cotton production at 28.7 million 480 lb. bales (36.8 million 170 kg bales/6.25 mmt) on 11.9 million hectares. Farmers' planting decisions are driven by expected price realization although additional factors such as the relative cost of production of competing crops, water availability, central/state government support (including the anticipated minimum support price or MSP), and a timely monsoon are crucial factors.

The Post estimate for MY 2017/18 production is 28.9 million 480 lb. bales (37 million 170 kg bales/6.3mmt). Post's estimate is 400,000 480 lb. bales higher than the USDA estimate of 28.5 million 480 lb. bales (36.5 million 170 kg bales/6.2 mmt) as farm-gate prices remain high and should encourage more cotton coming to market or going straight to mills. The pace of reported arrivals remains ahead of last year largely owing to significantly higher numbers in northern India as well as Telangana (refer table 1). Trade sources indicate 10-15 percent higher estimates for cotton arrivals as compared to official estimates from the Cotton Corporation of India (CCI).

For MY 2017/18, total arrivals as a percentage of the total Cotton Advisory Board (CAB) production estimate have reached 68 percent as of March 21, 2018. MY 2017/18 all India cotton arrivals, as reported by the CCI, reached 20 million 480 lb. bales (25.6 million 170 kg bales/4.35 mmt). Official arrivals data for MY 2011-2016 indicates that on average almost 75 percent of the production estimate arrives by March end.

Table 1. State-wise Progressive Cotton Arrivals as of March 21 (in 170 kg bales)

States	2016/17	2017/18	Difference
Punjab	860,000	833,450	-3.09%
Haryana	1,509,000	2,140,000	41.82%
Rajasthan	1,433,800	1,909,300	33.16%
North	3,802,800	4,882,750	28.40%
Gujarat	5,981,300	5,738,000	-4.07%
Maharashtra	6,973,500	6,318,000	-9.40%
Madhya Pradesh	1,734,900	1,680,000	-3.16%
Central	14,689,700	13,736,000	-6.49%
Andhra Pradesh	1,460,500	1,380,000	-5.51%
Telangana	3,341,700	3,791,200	13.45%
Karnataka	1,232,000	1,255,200	1.88%
Tamil Nadu	261,600	250,000	-4.43%
South	6,295,800	6,676,400	6.05%
Orissa	274,550	247,900	-9.71%
Others	133,250	100,000	-24.95%
Total	25,196,100	25,643,050	1.77%

Source: Cotton Corporation of India

Northern India

Cotton planting in the northern states of Punjab, Haryana, and Rajasthan receives irrigation. The MY 2018/19 forecast of Punjab cotton acreage is 6 percent lower than the previous year as farmers should switch back to basmati rice and paddy (non-basmati) due to strong export prospects and better price realization. The yield forecast for the area is 430 kg per hectare, 8 percent higher than previous season, as water availability is not a concern during the planting season with the state's strong irrigation network. The 2017/18 season witnessed a significant recovery from pest pressure that reportedly attributed to lower yields two years ago. In the states of Haryana and Rajasthan, the cotton acreage forecast is 5 percent lower than last year as farm gate prices for competing crops such as paddy and guar are much higher. Moreover, government support for increasing pulse crop acreage in these states remains strong.

Central India

The forecast for Gujarat planted area, the largest cotton growing state, is marginally lower with yields expected to be marginally better than MY 2017/18. In Gujarat, cotton remains an important crop as the area is a hub for cotton and cotton product exports and has a large ginning and spinning industry. Cotton remains the preferred crop for planting due to high returns on investment. However, farmers receive additional incentive to plant cotton as the state government has been offering bonus payments above the MSP procurement price for the past few years (refer GAIN IN7127). The cotton acreage forecast for

Maharashtra is lower by 5 percent. Cotton area in central Maharashtra (Marathwada) and Eastern Maharashtra (Vidarbha) should shift from cotton to soybean and sugar as farmers reportedly suffered crop losses with pest infestations. While cotton's relative drought tolerance gives it an edge over competing crops, reports of pink bollworm infestation in a few districts across the state should prompt farmers to switch to other crops. A marginal reduction in Madhya Pradesh cotton area is anticipated as farmers switch to soybeans and pulses as demand from crushers and processors is steady.

As of March 22, the overall water stored in reservoirs in the western states of Gujarat and Maharashtra was 34 percent of total capacity. At the same time last year, reservoir levels were 39 percent. The ten-year average capacity level is 37 percent.

Southern India

The combined area forecast for the states of Andhra Pradesh and Telangana for MY 2018/19 is 2.33 million hectares. Combined planted area for the states in MY 2017/18 was 2.46 million. The state governments of Andhra Pradesh and Telangana have issued notices to curb the supply of illegal herbicide-tolerant (HT) cotton seed for sowing as well as restrict the use of glyphosate herbicide. It is expected that a large percentage of area under illegal HT cotton will shift to desi cotton or indigenous cotton seed species and other crops like pulses (red gram and green gram). The forecast yields in both states are higher than the three-year average.

As of March 22, the overall water stored in reservoirs for Andhra Pradesh, Telangana, Tamil Nadu, Karnataka, and Kerala was 21 percent of capacity. At the same time last year, reservoir levels were 16 percent. The ten-year average capacity level is 27 percent.

General Production Outlook – Small Holders Choosing Improved Varieties

Cotton, a predominantly monsoon-season or Kharif crop, is planted from the end of April through September and harvested in the fall and winter. With the area under Bt cotton and improved varieties now reaching an estimated 92 percent of total area, prospects for future growth in productivity are limited as most cotton is grown under rain-fed conditions and on small farms. Cotton plant populations are relatively low density in India because farmers leave rows large enough to traverse with a bullock and cultivator for weed control purposes. Lower plant populations are offset to some extent by the multiple pickings farmers obtain through manual, rather than machine, harvesting.

Researchers are working on production schemes with higher plant populations that could improve yields. There are an estimated 5.8 million cotton farmers with the average farm size of 1.5 hectares. Small land holdings seem to limit the ability to adopt capital-intensive production technologies and infrastructure. Even without changing holdings, yields would likely benefit from improved irrigation, fertilizer, micronutrients, pests and disease management. Future growth in cotton production is more likely to come from higher yields rather than area expansion.

India accounts for about one-third of global cotton area. Within India, two-thirds of cotton is produced in the central cotton growing zone; including, the states of Maharashtra, Madhya Pradesh, Gujarat and Odisha where much of the crop is rain fed. The northern zone, which consists of the states of Punjab, Haryana and Rajasthan, produces cotton under irrigated conditions and accounts for about 15 percent of production. In the south, the states of Andhra Pradesh, Karnataka and Tamil Nadu account for 30 percent of production. The Central and Southern zones typically grow long duration cotton that allows

farmers to reap multiple harvests. While the number of pickings has declined as traditional varieties are replaced by biotech hybrids, farmers can still manage up to five pickings per plant depending on weather conditions. In contrast, the irrigated cotton in the northern zone is mostly a short season crop that fits into a cotton-wheat cropping system.

Various federal and state government agencies and research institutions are engaged in cotton varietal development, seed distribution, crop surveillance, integrated pest management, extension, and marketing activities. In 1999, the federal government launched the Technology Mission on Cotton (TMC) to improve the availability of quality cotton at reasonable prices. The goal of the TMC is to bring about improvement in the production, productivity and quality of cotton through research, technology transfer, and improvement in the marketing and raw cotton processing sectors.

Biotech Cotton – Widely Adopted for Medium and Long Staple Cottons

Since its introduction in 2002, Bt cotton has been widely adopted and now accounts for an estimated 92 percent of total cotton area and over 95 percent of India's cotton production. The Government of India has approved six biotech cotton events and more than 300 hybrids for cultivation in different agro-climatic zones. One of the results of the adoption of Bt cotton has been a significant shift in the varietal profile and share of different types of cotton being produced in India. Most of the Bt hybrids are of medium and long staple cotton (26 to 32 mm) which has resulted in declining production of short staple (below 22 mm) and extra-long staple (35 mm and above) cotton. If the current trend continues, the domestic textile industry may seek to augment their short staple cotton requirements through imports. Post is aware that GOI research institutes are developing non-Bt biotech cotton for sowing, but, at this time, it is not approved for commercial use.

MSP Viewed as a Solution to all Cotton Problems

The GOI establishes a MSP for seed cotton. New MSP prices are announced annually and may or may not precede the start of planting. The CCI, a government-run procurement and distribution company, is responsible for price support operations in all states. CCI, in addition to buying at MSP and marketing that cotton through an auction, is active in the market at other times and buys or sells as conditions dictate. For MSP operations, CCI is assisted occasionally by other federal or state government marketing organizations (e.g., the Maharashtra State Co-op Cotton Growers Marketing Federation or Mahacot) to purchase cotton in support of local producers. State officials in Gujarat, too, have added a premium in the past on top of the MSP to support local producers. With the objective of doubling farmers' income by 2022, the GOI reports that it intends to maintain a price stabilization fund to deal with abrupt price increases in commodities by creating buffer stocks through its state parastatals and ensuring higher returns for farmers.

On February 1, 2018, the Finance Minister presented the GOI annual budget for IFY 2018/19. The Minister announced that a MSP valued at 1.5 times the cost of production will be used as a principle for determining the MSP level for all crops during the upcoming 2018/19 *kharif* season (fall harvested) for a number of crops (e.g., rice, maize, cotton, various coarse grains, oilseeds, and pulses). There is no formal announcement on finalization of the MSP calculation formula which is still under review.

The GOI continues promoting crop diversification across various states by increasing the MSP for food crops at higher levels of growth than the growth rate for cotton. Also, with reports of pest pressure on

the cotton crop, stakeholders may naturally explore alternatives, but the recent GOI order lowering the sales price for cotton seed for sowing could incentivize farmers to plant more cotton.

**Production, Supply and Demand Data Statistics:
Extra Long Staple Cotton:**

Table 1: India’s Extra Long Staple (ELS) Cotton

PSD Table - ELS COTTON (1-3/8" or 35mm staple length)							
Units : 480 lbs. bales							
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Beginning Stocks	51,582	58,924	9,422	5,521	7,384	6,961	3,057
Production	163,970	171,778	179,586	163,970	140,546	136,642	109,313
Imports	143,984	83,236	109,316	150,217	327,518	273,284	257,667
Total Supply	359,535	313,938	298,325	319,708	475,447	416,887	370,038
Exports	-	-	-	-	-	-	-
Domestic Consumption	300,612	304,516	292,804	312,324	468,486	413,829	363,077
Ending Stocks	58,924	9,422	5,521	7,384	6,961	3,057	6,961
Total Distribution	359,535	313,938	298,325	319,708	475,447	416,887	370,038

The forecast for India’s ELS production is a slight decline as farmers shift to higher yielding long and medium-staple varieties. Very few Indian cotton varieties (DCH-32, TCH-213, and Suvin grown mostly in southern India) meet international ELS specifications. The fiber quality and yields of these varieties have deteriorated in recent years causing marketing problems and lower returns to growers.

Farmers are increasingly shifting to long staple varieties (Bunny, Brahma, and other 30-34 mm cotton varieties) that have higher yields and fewer quality problems. Efforts to improve the productivity of ELS parent lines had limited success. There are some early efforts to develop biotech ELS varieties.

Post forecasts ELS cotton consumption higher despite expected lower imports and lower production. India’s domestic consumption requirement for ELS cotton is met through imports. The United States, Egypt, and Israel are the major suppliers. Imports from the United States have maintained around 40 percent share of total ELS cotton imports into India since 2011. ELS cotton is used for the production of quality yarn, fabric, and dress material for a small but growing high-end domestic market segment as well as for export. Mills are seeking ELS, but only for quantities equal to their export orders. Local mills are increasingly using long staple varieties and blending them with imported ELS cotton for quality yarn and fabric production.

Consumption:

FAS India forecasts MY 2018/19 consumption at 25 million 480 lb. bales (32 million 170 kg bales/5.44 mmt). Post forecasts higher consumption compared to last year as demand for cotton yarn for export markets improves. Cotton and cotton yarn prices will remain competitive as mills will have ample fiber supplies (domestic and imports) to cater to both domestic and export markets. Various government support policies to boost textile exports will support domestic consumption of cotton and cotton blended fibers.

Post's estimate for MY 2017/18 cotton consumption is 24.2 million 480 bales. Post estimate is 300,000 480 lb. bales lower than the USDA official estimate. The lower consumption is based on the revised textile consumption data (refer table 4). The textile industry continues to face delays related to reimbursements for goods and service tax (GST) claims which affects the working capital of small- to medium-sized mills.

For MY 2017/18, the average monthly cotton consumption is estimated at 1.89 million 480 lb. bales (2.42 million 170 kg bales/411,934 MT). Data from office of the Textile Commissioner shows per month cotton consumption for MY 2016/17 averages 1.89 million 480 lb. bales (2.42 million 170 kg bales/412,152 MT).

Since 2003, India's has been a net cotton producer as production outpaced consumption and the country generated a large exportable surplus. Domestic mill consumption was growing for the past few years with additional capacity added in many cotton-growing states. The growth was championed by favorable textile policies at the federal and state levels of government. Another trend has been forward integration by ginners that set up small spinning units to focus on production of cotton and blended yarns. The fiber share in textile mill consumption is heavily skewed in favor of cotton (73 percent) as compared to man-made fiber (27 percent) (refer table 13). However, volatile cotton prices, weak demand, and cheaper man-made fibers are pushing consumption towards more blends and cotton waste.

While the national textile policy discusses fiber neutrality, the GOI has set schemes geared towards promoting natural fibers. India produced 2.1 MMT of man-made fiber (MMF) and yarn in India fiscal year (IFY) 2016/17 (Apr/Mar) (refer to tables 9 and 10) while consumption of MMF fiber and yarn in IFY 2016/17 was 1.7 MMT. Trade indicates there is low capacity utilization in India as demand is low, but consumption is rising and is expected to reach significant volumes in the next five years as younger generations are adapting to newer fashion styles.

Competition for cotton from MMF has become more pronounced in recent years with a buildup of capacity in India. Within the segment of MMF, polyester is by far the most dominant fiber type. Price volatility and high cotton prices compared to MMF led to a certain level of demand destruction. Additionally, there is an increase in sales of active wear and functional sportswear. Infrastructure issues, capital costs, and central and state taxation at the fiber level make MMF a costly option for textile mills as there are only a few large players operating in the MMF sector.

Trade:

FAS Post forecasts MY 2018/19 exports at 4.2 million 480 lb. bales (5.4 million 170 kg bales/ 914,442 mt). Export prospects for MY 2018/19 seem weak as global demand for cotton from alternate origins is much higher. While Indian Ex-gin prices have risen by only 7 percent since the beginning of MY 2017/18 and the Cotlook A-Index (FE) has risen by 18 percent, despite being price competitive, Indian cotton technical and quality parameters affect export prospects.

Bangladesh remained the top cotton export destination, followed by Vietnam, Pakistan, and China. Preliminary cotton yarn export data shows signs of improvement through December, followed by a slowdown in January and February. Bangladesh, followed by China, Pakistan, and Portugal were top

export markets for cotton yarn. Bangladesh, Sri Lanka, the United States, and Senegal were the top destinations for cotton fabric exports.

The FAS Post MY 2018/19 import forecast is 1.6 million 480 lb. bales (2 million 170 kg bales/ 348,359 mt). Even though a large crop is expected, imports will remain strong as mills import for processing and re-export to cover yarn export commitments. Mills have shown strong preference for cotton from the United States and Australia followed by some West African cotton in the past two years. Mills indicate shipments from both the countries will remain strong as long as technical parameters are consistent.

For MY 2017/18, the import estimate is 200,000 480 lb. bales lower than the USDA official estimate at 1.5 million 480 lb. bales (1.9 million 170 kg bales/326,587). Post estimates that import demand will slow down for the remainder of the marketing year as yarn and fabric exports slow and mills only import as per their requirements.

Stocks:

Cotton disappearance remains a major issue affecting crop production estimates. The picking, transportation, and sale of seed cotton are determined on a 'per kilo' basis. Stakeholders at nearly every stage in the fragmented supply chain attempt to increase delivery weight. At the farm level, a hired laborer or cotton picker may add immature bolls or pick at a time of day when the moisture content is highest. A recurring phenomenon is that transporters may add additional water/moisture so that s/he can remove some seed cotton, combine it with other loads, and extend their total volumes and get additional profit by selling the wet seed cotton to ginners.

In addition, increasingly, sources report that at the ginning and pressing stage, ginners are sourcing seed cotton directly from farmers and bypassing wholesale market yards to avoid market committee fees.

Consequently, market arrivals are not registered. As such, volumes are unreported and using this metric of market yard arrivals could lead to lower than expected overall production estimate as arrivals at fixed dates in comparison to prior years becomes a less reliable tool. In addition, blending of cotton grades and misreporting of gin and mill stocks are other factors affecting production estimates and carryover.

Trade sources indicate the official USDA estimate of Indian stock levels is higher in comparison with the number that they carry for the crop. However, there is no Government of India official breakup or analysis of stock positions and the market function is subject to a number of influences. According to the data provided by the Textile Commissioner's Office (TCO), cotton stocks in MY 2017/18 between August and January were the highest since MY 2009/10. Stocks accumulated between November and January were on average 30 percent higher than the same period last year. Mills continue building larger inventories in anticipation of higher prices as the industry approaches the latter half of the season.

Policy:

The GOI has enacted a variety of trade policies to ensure competitively-priced and adequate supplies of cotton are available to the textile industry. India's national fiber policy affirms that cotton exports should be limited to an exportable surplus. Cotton and cotton yarn exports are allowed under an Open General License (OGL) without any quantitative restrictions.

Value Addition to Cotton Critical to Indian Economy

The textile and clothing industry is largely cotton-based and is the second largest provider of employment after agriculture. The industry accounts for 12 percent of total industrial production, 15 percent of total export earnings, two percent of GDP, and provides direct employment to over 45 million people and indirect employment to an additional 55 million people. The “organized” or modern textile sector accounts for 80 percent of the industry. Domestic demand is supported by a rising consumer class with greater disposable income that wants readymade garments and home textiles. Cotton faces competition from India’s large MMF industry.

In MY 2017, the GOI announced a number of schemes and programs to support the textile industry (refer table 16 for major policy changes). For additional information, see the [Ministry of Textiles - Policies/Schemes/Initiatives](#)

India’s textile industry would benefit from increased value addition by weaving and garment manufacturing, but the industry continues emphasizing spinning sector expansion. The Indian textile industry includes both an "organized" sector (large-scale spinning units and composite mills) and an "unorganized" sector (small-scale spinning units, power looms, handlooms, hosiery units). More than 95 percent of yarn is from the organized sector. The weaving industry is represented more by the unorganized sector as power looms account for 59 percent of cloth production while hosiery units and handlooms represent; respectively, 26 percent and 11 percent of total cloth production. The organized sector weaving mills account for the remaining four percent of cloth production. Cotton and cotton blend textile exports account for 45 percent of total textile exports. Cotton ready-made garments account for the major share of cotton textile exports followed by cotton yarn and cotton fabric. Cotton yarn exports have been on open general license (i.e., not subject to quotas) since April 2011. For additional information on textile exports and production see table 14 at the end of this report.

Marketing:

India exports medium-to-long staple cotton (25 to 32 mm length) to China, Bangladesh and several Southeast Asian countries. India likely will continue to import extra-long staple (ELS) and quality long staple cotton (28-34 mm) with occasional imports of medium or short-staple cotton (below 22 mm) when international prices are favorable. The United States is the leading supplier of cotton to India over the past few years. Indian mills importing U.S. Pima and upland cotton recognize its quality and consistency and are ready to pay a premium over competing origins. However, U.S. cotton faces competition from suppliers like Egypt and Australia due to occasional freight advantages and shorter delivery periods. Due to warm weather conditions and cultural traditions, cotton is typically the preferred fiber in India. However, poly-cotton blends are popular due to their durability and ease of maintenance.

Table 3: Planting Season, Irrigation & Cotton Type by Major Region

REGION	STATES	COTTON GROWN	PLANTING SEASON AND IRRIGATION STATUS
North	Punjab, Haryana, Rajasthan	Medium and Short Staple	End April-May/Largely Irrigated
Central	Gujarat, Maharashtra, Madhya Pradesh	Medium and Long Staple	Mid June-July (after onset of monsoon) /Largely Rain Fed
South	Andhra Pradesh,	Long and Extra	August-September/

	Karnataka, Tamil Nadu	Long Staple	Largely Rain Fed
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Note: There is a small cotton crop planted in January and February in South India

Table 4: India's Cotton Consumption (Mill & Small Sector Units) By Month

(Figures in Million 480 lb. Bales)

Month	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Aug	1.452	1.697	1.455	1.723	1.892	1.910	2.019	1.903	1.809
Sep	1.428	1.673	1.694	1.676	1.851	2.015	1.919	1.807	1.740
Oct	1.415	1.725	1.387	1.706	1.876	1.886	1.929	1.680	1.734
Nov	1.442	1.647	1.432	1.647	1.793	1.955	1.822	1.801	1.815
Dec	1.522	1.762	1.572	1.768	1.965	2.022	1.990	1.920	1.958
Jan	1.526	1.726	1.587	1.819	1.967	2.012	1.972	1.954	1.940
Feb	1.469	1.580	1.585	1.737	1.814	1.919	1.924	1.908	
Mar	1.562	1.699	1.591	1.843	1.957	2.044	2.000	2.022	
Apr	1.603	1.575	1.586	1.813	1.898	1.997	1.949	1.938	
May	1.634	1.455	1.662	1.784	1.904	2.000	1.982	1.941	
Jun	1.617	1.423	1.653	1.758	1.882	2.000	1.982	1.918	
Jul	1.726	1.484	1.728	1.883	1.916	1.996	1.953	1.927	
Loss *	1.327	1.045	0.390	0.611	0.493	0.390	1.405	1.366	1.484
Total	19.723	20.491	19.322	21.768	23.208	24.146	24.846	24.085	

Source: Figures in Bold are Provisional

*Loss estimate from the Cotton Advisory Board added into total consumption

Source: Textile Commissioner's Office, GOI

Table 5: Month End Spot Prices of Popular Indian Varieties (cents per pound)

Year	ICS 201 (below 22mm)	ICS 202 (26mm)	ICS 105 (28 mm)	ICS 105 (29 mm)	ICS 106 (32 mm)	ICS 107 (34 mm)
2015/16						
Aug	0.67	0.67	0.64	0.68	0.69	0.83
Sept	0.59	0.61	0.61	0.64	0.66	0.86
Oct	0.62	0.63	0.61	0.63	0.65	0.88
Nov	0.59	0.61	0.61	0.63	0.64	0.87
Dec	0.63	0.63	0.63	0.65	0.69	0.91
Jan	0.59	0.62	0.63	0.64	0.69	0.93
Feb	0.57	0.61	0.60	0.62	0.68	0.92

Mar	0.56	0.61	0.60	0.62	0.69	0.92
Apr	0.62	0.65	0.65	0.67	0.73	0.95
May	0.63	0.70	0.69	0.70	0.74	0.99
Jun	0.66	0.78	0.80	0.81	0.86	1.02
Jul	0.65	0.85	0.87	0.88	0.94	1.08
2016/17						
Aug	0.61	0.84	0.82	0.84	0.90	1.04
Sept	0.57	0.78	0.86	0.86	0.95	1.04
Oct	0.54	0.71	0.72	0.73	0.76	1.01
Nov	0.52	0.72	0.72	0.73	0.76	1.02
Dec	0.58	0.74	0.73	0.74	0.77	1.01
Jan	0.63	0.80	0.78	0.79	0.82	1.05
Feb	0.68	0.84	0.81	0.82	0.85	1.08
Mar	0.70	0.86	0.83	0.85	0.90	1.14
Apr	0.70	0.87	0.81	0.84	0.91	1.14
May	0.71	0.87	0.81	0.85	0.91	1.10
Jun	0.72	0.84	0.81	0.84	0.90	1.10
Jul	0.74	0.08	0.82	0.84	0.91	1.08
2017/18						
Aug	0.69	0.83	0.82	0.84	0.92	1.08
Sept	0.69	0.72	0.74	0.76	0.84	1.01
Oct	0.81	0.70	0.74	0.74	0.81	0.97
Nov	0.82	0.72	0.72	0.74	0.81	1.00
Dec	0.84	0.80	0.79	0.82	0.88	1.13
Jan	0.82	0.78	0.78	0.80	0.85	1.12
Feb	0.83	0.78	0.76	0.80	0.85	1.06
Mar*	0.84	0.78	0.71	0.80	0.84	1.05

* As on March 23, 2018

Source: Cotton Association of India (formerly East India Cotton Association), Mumbai

Table 6a: India's Cotton Exports by Month
(Figures in 480 lb. Bales)

Month/Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Aug	340,780	44,423	203,455	77,823	216,480	52,368	67,667
Sep	740,873	81,916	103,801	100,044	271,072	51,837	61,274
Oct	543,692	125,324	109,942	144,931	348,133	40,095	52,435
Nov	1,635,913	599,005	1,496,006	572,766	1,016,147	483,486	427,100
Dec	1,266,216	1,434,190	1,920,943	791,400	1,384,494	857,456	804,764
Jan	1,970,873	1,855,089	1,605,062	523,736	770,704	849,534	729,269
Feb	1,814,992	1,689,627	1,108,448	525,086	636,686	645,468	
Mar	399,840	938,806	1,021,562	592,088	441,058	542,553	
Apr	1,069,467	271,481	746,963	298,956	261,955	345,331	
May	623,467	221,509	516,148	184,701	228,307	348,780	
Jun	462,677	282,628	313,791	162,729	133,940	229,115	
Jul	203,790	217,063	115,283	225,120	67,360	103,861	
TOTAL	11,072,579	7,761,062	9,261,404	4,199,379	5,776,336	4,549,883	2,142,509

Source: Directorate General of Foreign Trade, Ministry of Commerce

Table 6b: India's Cotton Imports by Month
(Figures in 480 lb. Bales)

Month/Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Aug	6,821	49,140	84,189	126,284	138,313	353,585	342,309
Sep	1,966	158,710	75,664	256,917	142,607	634,068	325,246
Oct	9,875	244,589	88,529	154,374	77,924	296,503	66,841
Nov	11,450	166,435	42,963	97,614	40,804	126,823	36,511
Dec	10,031	81,397	13,761	39,114	36,629	85,108	46,697
Jan	29,096	47,781	30,419	40,657	32,785	55,630	56,365
Feb	62,639	35,559	32,463	56,516	35,237	58,496	
Mar	72,252	43,707	38,135	57,072	75,945	106,970	
Apr	76,868	57,903	51,207	63,888	109,349	125,287	
May	61,886	62,386	46,435	76,946	99,015	244,061	
Jun	24,485	111,375	55,713	95,203	119,357	347,090	
Jul	20,544	127,942	115,729	161,654	164,653	302,226	
TOTAL	387,913	1,186,923	675,207	1,226,239	1,072,618	2,735,847	873,969

Source: Directorate General of Foreign Trade, Ministry of Commerce

Table 7a: India's Cotton Export Trade Matrix
(Figures in 480 lb. Bales)

2015/16 (Aug/Jul)		2016/17 (Aug/Jul)		2017/18 (Aug/Jan)	
United States	1,258	United States	1,451	United States	5
Pakistan	2,131,227	Bangladesh	1,872,799	Bangladesh	954,831
Bangladesh	1,959,652	China	719,006	Vietnam	408,544
China	552,782	Vietnam	615,329	Pakistan	279,776
Vietnam	524,732	Pakistan	631,464	China	231,430
Indonesia	238,283	Indonesia	301,620	Indonesia	137,408
Turkey	99,213	Thailand	106,244	Thailand	27,071
Singapore	55,713	Taiwan	64,995	Mauritius	19,658
Thailand	48,203	Turkey	64,857	Malaysia	18,409
Taiwan	40,831	Malaysia	39,100	Taiwan	17,981
Malaysia	26,152	Mauritius	26,088	Bahrain	13,012
<i>Total of Top 10</i>	5,676,788	<i>Total of Top 10</i>	4,441,502	<i>Total of Top 10</i>	2,108,120
Others	98,289	Others	108,381	Others	34,389
Grand Total	5,776,336	Grand Total	4,549,883	Grand Total	2,142,509

Source: Directorate General of Foreign Trade, Ministry of Commerce

Table 7b: India's Cotton Import Trade Matrix
(Figures in 480 lb. Bales)

2015/16 (Aug/Jul)		2016/17 (Aug/Jul)		2017/18 (Aug/Jan)	
United States	227,398	United States	968,895	United States	332,048
Mali	164,841	Australia	712,718	Australia	253,568
Australia	117,006	Mali	224,467	Burkina Faso	51,680
Benin	78,140	Cameroon	101,146	Cameroon	43,702
Pakistan	73,625	Cote d Ivoire	87,556	Egypt	41,066
Cote d Ivoire	69,684	Egypt	83,932	Benin	39,150
Cameroon	62,584	Burkina Faso	80,584	Mali	21,298
Argentina	49,099	Benin	50,734	Brazil	16,810
Egypt	46,972	Tanzania	48,727	Tanzania	10,720
Chad	33,790	Turkmenistan	33,754	Cote d Ivoire	7,551
Togo	22,230	Uganda	33,689	Greece	7,110
<i>Total of Top 10</i>	717,972	<i>Total of Top 10</i>	1,457,306	<i>Total of Top 10</i>	492,655
Others	127,248	Others	309,646	Others	381,314
Grand Total	1,072,618	Grand Total	2,735,847	Grand Total	873,969

Source: Directorate General of Foreign Trade, Ministry of Commerce

Table 8: Growth of the Indian Textile Industry*

Item	2009	2010	2011	2012	2013	2014	2015	2016	2017
Organized Mills									
• Spinning	1,673	1,692	1,761	1,769	1,757	1,776	1,779	1,803	1,804
• Composite	180	186	194	198	197	200	201	205	205
• Exclusive Weaving	183	182	173	173	174	174	175	175	175
Small Scale Spinning Units	1,260	1,398	1,338	1,350	1,307	1325	1,335	1,350	1,353
Power Loom Units ('000s)	505	513	520	523	530	543	554	-	-
Spindles (millions)	42	48	43	44	44	45	46	47	47
Rotors ('000s)	675	750	523	542	553	565	581	587	587
Looms ('000s)	71	70	52	52	51	52	53	53	53
Power Loom ('000s)	2,246	2,278	2,299	2,323	2,368	2,475	2,522	-	-

* - Indian Fiscal Year (April/March)

na - not available

P - Provisional

Source: The Textile Commissioner's Office, GOI

Table 9: India's Production of Spun Yarn (Million Kg.)

Year/1	COTTON	BLENDED	100% NON-COTTON	TOTAL
1995-96	1,894	395	196	2,485
2000-01	2,267	646	247	3,160
2001-02	2,212	609	280	3,101
2002-03	2,177	585	319	3,081
2003-04	2,121	589	342	3,052
2004-05	2,272	585	366	3,223
2005-06	2,521	588	349	3,458
2006-07	2,824	635	354	3,813
2007-08	2,948	677	378	4,003
2008-09	2,896	655	361	3,912
2009-10	3,079	707	407	4,193
2010-11	3,490	796	426	4,713
2011-12	3,126	789	457	4,373
2012-13	3,583	828	457	4,868
2013-14	3,928	896	485	5,309
2014-15	4,055	920	513	5,488
2015-16	4,138	973	555	5,665
2016-17	4,061	1,034	572	5,667
2017-18 (P)	3,403	905	466	4,773

/1: Indian fiscal year (April-March)

P: Provisional estimate for April 2017 to Jan 2018

Source: Textile Commissioner's Office, GOI

Table 10: India's Production of Manmade Fiber (Million Kg.)

Year /1	Viscose	Acrylic	Polyester	Poly-Propylene	Total
1995-96	194	74	228	2	498
1997-98	188	79	439	2	708
1998-99	178	79	523	2	782
1999-00	202	79	551	2	835
2000-01	236	99	566	2	904
2001-02	185	95	551	2	834
2002-03	225	105	582	2	914
2003-04	221	117	613	3	953
2004-05	248	128	644	3	1,023
2005-06	229	108	628	3	968
2006-07	247	97	792	4	1,139
2007-08	280	81	880	3	1,244
2008-09	233	80	750	3	1,066
2009-10	302	90	872	3	1,268
2010-11	305	79	896	4	1,285
2011-12	323	78	830	4	1,234
2012-13	337	74	848	4	1,263
2013-14	361	96	846	4	1,307
2014-15	365	93	882	5	1,344
2015-16	342	107	894	5	1,347
2016-17	365	96	899	4	1,364
2017-18 (P)	316	78	727	3	1,123

/1: Indian fiscal year (April-March)

P: Provisional estimate for April 2017 to Jan 2018

Source: Textile Commissioner's Office, GOI

Table 11: India's Production of Manmade Filament Yarn (Million Kg.)

Year/1	Viscose	Polyester	Nylon	Poly-Propylene	Total
1995-96	61	376	42	15	493
1997-98	57	668	30	14	769
1998-99	61	745	29	15	850
1999-00	49	801	26	17	894
2000-01	55	820	26	18	920
2001-02	48	866	28	20	962
2002-03	51	995	30	24	1,100
2003-04	53	1,013	31	21	1,118
2004-05	54	1,004	35	16	1,109
2005-06	53	1,076	37	14	1,179
2006-07	54	1,271	32	13	1,370
2007-08	51	1,420	28	11	1,509
2008-09	42	1,330	28	15	1,416
2009-10	43	1,434	30	15	1,522
2010-11	41	1,462	33	13	1,550
2011-12	42	1,380	28	13	1,463
2012-13	43	1,288	23	17	1,371
2013-14	44	1,213	24	13	1,294
2014-15	44	1,158	33	13	1,248
2015-16	45	1,069	37	13	1,164
2016-17	46	1,060	41	11	1,159
2017-18 (P)	40	916	32	9	997

/1: Indian fiscal year (April-March)

P: Provisional estimate for April 2017 to Jan 2018

Source: Textile Commissioner's Office, GOI

Table 12: India's Production of Fabric (Fiber-Wise) in million square meters

Year/1	COTTON	BLENDED	KHADI/ WOOL/ SILK	100% NON-COTTON	TOTAL
1995-96	18,900	4,025	498	8,535	31,958
1996-97	19,841	4,888	540	9,569	34,838
1997-98	19,992	5,751	545	11,153	37,441
1998-99	17,948	5,700	559	11,895	36,102
1999-00	18,989	5,913	575	13,725	39,202
2000-01	19,718	6,351	581	13,606	40,256
2001-02	19,769	6,287	644	15,334	42,034
2002-03	19,300	5,876	662	16,135	41,973
2003-04	18,040	6,068	662	17,613	42,383
2004-05	20,655	6,032	693	17,998	45,378
2005-06	23,873	6,298	769	18,637	49,577
2006-07	26,238	6,882	724	19,545	53,389
2007-08	27,196	6,888	768	21,173	56,025
2008-09	26,898	6,766	768	20,534	54,966
2009-10	28,914	7,767	812	22,840	60,333
2010-11	31,718	8,278	798	21,765	62,559
2011-12	30,570	8,648	848	20,567	60,633
2012-13	33,870	9,282	843	18,797	62,792
2013-14	35,513	10,062	876	17,049	63,500
2014/15	36,959	10,449	944	16,924	65,276
2015-16	38,440	10,809	921	15,335	65,505
2016-17	38,837	11,080	941	13,563	64,421
2017-18 (P)	33,234	9,571	784	12,975	56,564

/1: Indian fiscal year (April-March)

P: Provisional estimate for April 2017 to Jan 2018

Source: Textile Commissioner's Office, GOI

Table 13: India's Per Capita Availability of Cloth in India (Square Meters)

Year/1	Cotton	Blended/Mixed	100% Non-Cotton	Total
1980	12.84	2.18	2.28	17.30
1990	15.05	3.00	6.09	24.14
1991	13.71	2.90	6.26	22.87
1992	15.57	2.57	6.36	24.50
1993	15.92	3.58	6.72	26.22
1994	15.24	3.27	7.47	25.98
1995	16.32	3.48	8.19	27.99
1996	16.24	3.98	9.08	29.30
1997	15.94	4.57	10.41	30.92
1998	13.07	4.13	10.99	28.19
1999	14.16	4.48	11.91	30.55
2000	14.22	4.50	11.96	30.68
2001	14.82	4.69	12.46	31.97
2002	14.40	4.38	12.59	31.37
2003	13.41	4.51	13.09	31.01
2004	14.08	4.11	15.32	33.51
2005	16.37	4.32	15.41	36.10
2006	17.90	4.69	17.01	39.60
2007	19.01	4.81	18.03	41.85
2008	17.89	4.50	16.62	39.01
2009	19.70	5.29	18.13	43.12
2010	21.35	5.57	17.04	43.96
2011	19.76	5.47	15.23	40.46
2012	19.88	5.45	13.14	38.47
2013	19.80	5.61	10.75	36.16
2014	23.57	6.66	10.38	40.61
2015	24.59	6.92	8.99	40.50
2016	25.75	7.35	8.45	41.55

/1: Indian fiscal year (April-March)

Source: Textile Commissioner's Office, GOI

Table 14: India's Consumption of Major Fibers/Yarn (Million Kg)

Year/1	Cotton	Man-Made Fiber	Man-Made Filament	Others (Silk, Wool, Flax, etc.)	TOTAL
2003-04	2,652	940	1,146	152	4,890
2004-05	2,886	978	1,137	154	5,155
2005-06	3,222	954	1,182	156	5,514
2006-07	3,580	1,022	1,258	158	6,018
2007-08	3,707	1,087	1,363	160	6,317
2008-09	3,581	966	1,434	159	6,139
2009-10	3,796	1,093	1,417	159	6,466
2010-11	4,374	1,092	1,316	159	6,941
2011-12	3,972	1,040	1,196	165	6,373
2012-13	4,473	1,053	1,020	122	6,668
2013-14	4,866	1,082	861	129	6,939
2014/15	5,087	1,140	813	136	7,176
2015-16	5,130	1,142	675	140	7,087
2016-17	4,978	1,122	560	144	6,804

/1: Indian fiscal year (April-March)

Source: Textile Commissioner's Office, GOI

Table 15: India's Exports of Textile Products (U.S. \$ Million) during IFY (April-March)

Item	2014-15	2015-16	2016-17
Cotton Textiles			
Yarn/Fabric/Made-up	9,852	9,197	8,634
Readymade Garments	9,281	9,090	8,567
<i>Sub-total</i>	19,133	18,287	17,201
Man-Made Textiles			
Yarn/Fabric/Made-up	5,275	4,673	4,582
Readymade garments	3,994	4,178	5,059
<i>Sub-total</i>	9,269	8,851	9,641
Wool Textiles (Yarn/Fabric/Made-up/RMG)	514	461	392
Silk Textiles (Yarn/Fabric/Made-up/RMG)	430	330	255
Handloom Products	370	369	362
Handicrafts	1,376	3,410	3,657
Coir & Coir Manufacturers	285	262	297
Jute	365	577	323
Carpets	3,831	3,914	4,071
Other Textiles Readymade garments	2,940	3,184	3,466
Total Exports	36,043	37,172	37,092

Statistics exclude exports of fiber & fiber waste (cotton/ manmade/ silk/ wool/ others)

Source: Directorate General of Commercial Intelligence and Statistics, Ministry of Commerce

Table 16a: India's Cotton Yarn* Exports by Month
(Figures in thousand Metric Tons)

Month/Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014/15	2015/16	2016-17	2017-18
Aug	46	63	58	93	113	94	117	66	79
Sep	46	57	100	65	108	98	112	77	99
Oct	56	57	48	76	119	101	106	76	98
Nov	49	77	58	87	106	125	105	103	111
Dec	55	79	66	108	113	125	115	173	116
Jan	53	31	75	99	131	113	104	132	87
Feb	62	2	63	102	108	119	100	107	
Mar	73	68	66	107	117	122	112	89	
Apr	72	51	88	80	94	104	105	66	
May	65	47	94	95	93	99	94	65	
Jun	60	50	78	103	76	103	92	78	
Jul	60	62	107	111	87	118	75	71	
TOTAL	696	646	900	1,126	1,266	1,321	1,237	1,102	

*HS code: 5204, 5205 and 5207

Source: Directorate General of Foreign Trade, Ministry of Commerce

Table 16b: India's Cotton Fabric* Exports by Month
(Figures in thousand square meters)

Month/Year	2009-10	2010-11	2011-12	2012-13	2013-14	2014/15	2015/16	2016-17	2017-18
Aug	48,805	160,275	69,847	77,093	78,908	92,491	101,473	114,071	107,427
Sep	45,256	54,091	78,881	72,827	101,017	98,636	103,974	104,661	123,563
Oct	46,080	58,393	57,317	70,553	101,327	108,182	117,801	105,404	109,534
Nov	41,361	44,896	59,584	66,084	85,897	103,471	95,082	87,723	118,187
Dec	46,324	58,806	84,697	75,412	100,335	105,335	120,598	111,894	132,584
Jan	51,374	69,052	79,762	74,008	91,169	93,192	116,656	107,512	124,947
Feb	47,950	70,709	80,219	65,141	87,377	96,586	107,487	115,131	
Mar	51,344	61,286	80,233	75,329	98,696	105,169	120,461	112,033	
Apr	41,967	74,807	69,011	65,683	88,629	86,833	109,998	94,104	
May	44,634	68,259	72,021	65,469	81,581	103,443	102,558	89,045	
Jun	45,59	65,89	83,71	67,76	94,572	103,90	97,093	93,362	

	7	9	6	0		9			
Jul	53,52 1	82,83 5	68,76 7	78,54 7	87,284	97,115	98,710	94,340	
TOTAL	564,2 13	869,3 09	884,0 55	853,9 06	1,095,9 04	1,194,3 61	1,291,8 89	1,229,2 79	

***HS code:** 5208 and 5209

Source: Directorate General of Foreign Trade, Ministry of Commerce

Table 17: India's Cotton Export Policies Since 2010

- Prior to April, 2010, exports of raw cotton were allowed without any restrictions or export taxes. Export contracts had to be registered with the Textile Commissioner's Office (TCO).
- On April 9, 2010, the GOI imposed an export tax of Rs. 2,500 (\$5.6) per metric ton on raw cotton.
- On April 19, 2010, the TCO suspended registration and exports of raw cotton (GAIN IN1039).
- On May 21, 2010, the government moved exports of raw cotton to the restricted list, thereby imposing licensing restrictions on exports of raw cotton. The Directorate General of Foreign Trade (DGFT) issued export licenses for the unshipped export contracts registered with the TCO prior to April 19, 2010 (GAIN IN1049).
- On August 17, 2010, the government removed licensing restrictions on exports of raw cotton by moving it from the restricted list to the free list and removed export tax. However, all export contracts had to be registered with the TCO (GAIN IN1081).
- On September 18, 2010, the Empowered Group of Ministers established an export quota of 4.3 million bales (5.5 million Indian bales) for Indian marketing year 2010/11 (October/September).
- On October 1, 2010, the TCO commenced export contract registration and closed registration on October 10, 2010 when the quota limit was reached. The TCO issued export authorization for 3.92 million bales to be shipped within the period of November 1 to December 15, 2010.
- On December 16, 2010, the GOI issued a notification stating that exports of cotton were to be registered with the DGFT instead of the TCO.
- On December 16, 2010, the DGFT issued a circular stating the modalities of registration and export of the "unutilized" export quota that could not be shipped before December 15, 2010 (GAIN IN1101).
- In early January, the DGFT registered about 1.48 million 480 lb. bales (1.9 million 170 kg bales) of export contracts against the estimated 'unutilized' cotton quota that could not be shipped prior to December 15, 2010, for shipment during January 27-February 26, 2011.
- After February 27, 2011, no further exports of raw cotton were allowed.
- On August 2, 2011, Cotton exports were placed on OGL (Open General License) without any quantitative limits on exports subject to registration of export contracts with DGFT.
- In November 2011, the Government of India lifted the import quota restrictions and allowed duty free import of textile items from the Least Developed Member countries (LDCs) of South Asia Free Trade Agreement (SAFTA) including Bangladesh, Bhutan, Maldives, Nepal and Afghanistan.
- On March 5, 2012, the Ministry of Textiles issued a notification effectively banning all raw cotton exports.
- On March 12, 2012, the Ministry of Textiles issued a notification clarifying the terms of the export ban. Exports registered but not shipped before March 4, 2012 would be allowed but fresh raw cotton exports were prohibited indefinitely.
- On March 16, 2012, the Ministry of Textiles issued a notification outlining the procedure for scrutiny and revalidation of registration certificates (RCs).
- On March 22, 2012, the Ministry of Textiles issued a notification exempting 5,000 170 kg bales of Assam Comilla Cotton exports from the ban.
- On March 24, 2012, a trade notice was issued by the Ministry of Textiles notifying that priority in scrutiny and revalidation of RCs for cotton exports will be given to neighboring countries such as Bangladesh and Pakistan via land route to ease congestion at land borders.
- On May 1, 2012, a policy circular was issued by the Ministry of Textiles on Clarification regarding withdrawal of provision of revalidation of RCs by regional authorities (RAs) for export of cotton and cotton yarn.
- On May 4, 2012, a notification was issued by the Ministry of Textiles permitting the Cotton Corporation of India (CCI) to export cotton during Indian cotton season MY 2011/12 (Oct/Sep).
- On May 4 and May 8, 2012, shortly after lifting its ban on cotton exports, the Ministry of Textiles issued notifications outlining new procedures for the registration of new cotton export contracts. The new policy

limited the amount of each RC to 10,000 170 kg bales (1,700 MT) of cotton for established exporters and to 1,500 170 kg bales for exporters who have not exported previously.

- On May 10, 2012, the DGFT issued circular stipulating additional conditions for obtaining cotton RCs. Exporters were required to notify DGFT by e-mail of their intent to register additional quantities followed by a hard copy of their application within two working days.
- On May 24, 2012, a clarification was issued by DGFT regarding standard weight and tolerance in weight of 1 Indian bale of cotton which is equivalent to 170 kilograms. The clarification was issued in respect of exporters exporting cotton bales of non-standard weight. Weight of each bale must be within the prescribed limit of 170 kg irrespective of the number of non-standard bales shipped.
- On October 1, 2012, procedure and conditions for registration of contracts for export of cotton for 2012/13 were announced. The new policy limits the amount of each RC to 10,000 170 kg bales (1,700 MT) of cotton for established exporters and to 1,500 170 kg bales for exporters who have not exported previously. (GAIN IN2136)
- On October 1, 2012, the Ministry of Textiles issued a notification exempting 5,000 170 kg bales of Assam Comilla Cotton exports from any export restrictions.
- On November 30, 2012, DGFT issued a notification modifying procedures and conditions related to cotton export registration for Indian MY 2012/13 (Oct/Sep). The export policy was amended to allow registration of cotton exports up to a maximum quantity of 30,000 170 kg bales. Exporters must export 50 percent (15,000 170 kg bales) of a registration before they can register an additional 30,000 170 kg bales. (GAIN IN2159)
- On January 3, 2013, India's Ministry of Commerce and Industry issued a policy circular modifying procedures for cotton exports sent via the land route through the Wagah-Atari border to Pakistan for the 2012/13 marketing year. To ease land congestion, Indian exporters have the option to seek a onetime maximum 30 day extension based on the validity of the registration certificate (RC) to complete any outstanding commitments due to delays. (GAIN IN3015)
- On September 25, 2013 Government of India issued a notification stating withdrawal of any incentives on exports of cotton, and cotton yarn under the Focus Market Scheme (FMS). (GAIN IN3108)
- On October 17, 2013, India's Ministry of Textiles announced the establishment of a mandatory online reporting system for ginnerers and others in the cotton trade aimed at enhancing data collection. (GAIN IN3126)
- On January 3, 2014, India's Ministry of Commerce and Industry issued a notification amending the procedure for the issue of registration certificates (RCs) for export of various commodities such as raw cotton and cotton yarn. The announcement simplifies the export registration process by eliminating the need for exporters to submit hard copies of the documents when submitting their online export registration application. (GAIN IN4012)
- On January 23, 2014, the Government of India amended a notification that makes cotton yarn eligible for benefits under the Incremental Export Incentivisation Scheme (IEIS) up to March 31, 2014, the end of the India fiscal year. The scheme provides a credit of two percent of the FOB value of exports that can be used to import any goods free of duty up to the value of the credit. (GAIN IN4012)
- On February 27, 2014, the Government of India amended a notification adding a number of textile items including cotton yarn, cotton fabric and bed linen to the Market Linked Focus Product Scheme (MLFPS) scheme. Here again, the scheme provides a credit of two percent of the FOB value of exports to certain high priority markets that can be used to import products duty free up to the value of the credit. All garments covered under Chapters 61 and 62 of the Harmonized Tariff Schedule that are exported to the United States and European Union are now eligible for program until further notice. (GAIN IN4012)
- On March 3, 2014, India's Ministry of Textiles issued a press note appealing to the cotton trade (cotton producers, ginnerers, bale pressers, traders etc.) to voluntarily register their unit/firm with textile commissioner's office and file monthly cotton statistics related to ginned and/or pressed cotton production, consumption/distribution and its trading.
- On December 8, 2014, the GOI relaxed the export procedures for cotton and cotton yarn by removing the requirement for export registration with Directorate General of Foreign Trade (DGFT) to try and stabilize

prices by boosting exports.

- On October 29, 2015, the Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry issued a notification extending the two percent export benefit (2 percent of FOB value) effective immediately under the Merchandise Export from India Scheme (MEIS). The export incentive is available on a number of textile items under Harmonized Tariff System chapters 50 to 63 to countries classified in groups A, B & C under the MEIS Schedule.
- On November 18, 2015, the Government of India approved the Interest Equalization Scheme (earlier called Interest Subvention Scheme) for five years effective April 1, 2015. Under the scheme, eligible exporters can avail a three percent export credit subvention (subsidy on interest rate charged on export credit).
- On December 7, 2015, the Government of India published a cotton seed price control order that fixes the sale price of cotton seeds for sowing. Though this order aims to ensure that farmers receive a fair, reasonable, and affordable price, according to information published by the Ministry of Agriculture and received from industry sources, seed prices account for only 5 to 9 percent of the total cost of cultivation with greater variability attributed to production style (irrigated/non-irrigated), chemical usage, and seeding intensity.
- On December 30, 2015, the Government of India approved the "Amended Technology Upgrade Fund Scheme (ATUFS)" Scheme for technological improvements in the textiles industry. The amended scheme targets employment generation by promoting exports, promoting technical textiles, and supports the upgrading of looms, and processing in the garment sector.
- On March 8, 2016, the Government of India under the cotton seed price control order fixed the all India maximum sale price of cotton seed by declaring a packet of Bt cotton seed (450 grams of Bt. cotton seed plus 120 grams refugia) at INR 800 (\$12) for Bollgard 2 version of Bt cotton hybrid, and INR 635 (\$9.5) for Bollgard 1 version of Bt cotton hybrid.
- On April 1, 2017, the Ministry of Textiles launched a comprehensive subsidy scheme for the power loom sector. The scheme has several components; including, providing financial assistance for upgrading of plain looms, credit availability to power loom weavers, interest-free funds for the purchase of yarn at wholesale prices (GAIN IN7077).
- On July 1, 2017, the new goods and services tax (GST) rates announced for cotton (fiber, waste, yarn and fabric) was set at 5 percent, while GST rates for man-made products (fiber and yarn) were set at 18 percent, and fabric at 5 percent.
- On October 23, 2017, the Ministry of Finance published a notification to ease the procedure for merchant exporters. Merchant exporters can now purchase goods from registered suppliers by paying 0.1 percent GST and the amount paid as GST will be refunded within 90 days of the export transaction. (GAIN IN7138)
- On November 24, 2017, the Ministry of Textiles published a notification highlighting the schemes for Remission of State Levies on export of garments and made-ups through a rebate mechanism. The two schemes have been merged under the Scheme for Rebate of State Levies on Export of Garments and Made-ups (referred to as the RoSL Scheme). Effective October 1, 2017, the exporter may claim RoSL rates for export of garments, and made-ups as per the rates notified in the schedule (GAIN IN7138).
- On November 24, 2017, the Directorate General of Foreign Trade (DGFT), Ministry of Commerce and Industry, issued a public notice wherein the incentive rates under the MEIS scheme were increased from 2 percent to 4 percent for the garment and made up sectors (linens, furnishings etc.) (GAIN IN7138).
- On December 20, 2017, the Union Cabinet gave its approval for a new skill development scheme covering the entire textile sector value chain (excluding spinning and weaving in the organized sector), titled "Scheme for Capacity Building in Textile Sector (SCBTS)" from 2017-18 to 2019-20 with an outlay of \$200 million (Rs. 1300 crore). Refer [Press Release](#)
- On February 1, 2018, Finance Minister presented the Government of India's (GOI) annual budget for Indian Fiscal Year (IFY) 2018/19. The Minister announced that the minimum support price (MSP) valued at 1.5 times the cost of production will be used as a principle for determining the MSP for all crops during the upcoming 2018/19 *kharif* season (fall harvested) for numerous crops (e.g., rice, maize, cotton and

various coarse grains, oilseeds and pulses (GAIN IN8014).

- The Ministry of Agriculture and Farmers Welfare published a notification on March 12, 2018, fixing the maximum sale price for cotton seed for sowing as well as specific trait values that technology providers assess seed companies for biotech cotton seed used in India. The sales and trait prices were lowered from the prices set in the March 2016 notification (GAIN IN8024).

**Table 18: Area, Production & Yield of Cotton in Major States
(Area 000 ha; Production 000 bales, Yield kg/ha)**

STATE		CAB Estimate	FAS Post Estimate	FAS Post Forecast
		2016/17	2017/18	2018/19
Maharashtra	Area	3,800	4,212	4,000
	Production	8,275	7,500	7,350
	Yield	370	303	312
Gujarat	Area	2,405	2,658	2,650
	Production	9,180	10,600	10,300
	Yield	649	678	661
Madhya Pradesh	Area	599	599	580
	Production	1,980	1,985	1,950
	Yield	562	563	572
Punjab	Area	285	385	360
	Production	650	900	910
	Yield	388	397	430
Haryana	Area	570	656	620
	Production	1,750	2,000	2,180
	Yield	522	518	598
Rajasthan	Area	471	503	480
	Production	1,540	1,850	1,650
	Yield	556	625	584
Andhra Pradesh	Area	471	636	580
	Production	1,310	1,950	1,800
	Yield	473	521	528
Telangana	Area	1,409	1,824	1,750
	Production	4,740	5,200	5,400
	Yield	572	485	525
Karnataka	Area	507	565	570
	Production	1,690	1,600	1,800
	Yield	567	481	537
Tamil Nadu	Area	142	148	140
	Production	280	350	345
	Yield	335	402	419
Others	Area	186	195	180
	Production	495	550	500
	Yield	452	479	472
Loose	Production	2,610	2,610	2,610
All-India	Area	10,845	12,381*	11,910
	Production	34,500	37,095*	36,795
	Yield	541	509*	525

*Difference in PSD Post Estimate for area, production and yield is due to rounding.

